

ABILENE CITY COMMISSION - STUDY SESSION AGENDA
DWIGHT D. EISENHOWER MEMORIAL BUILDING - 419 N. BROADWAY AVENUE
June 20, 2017 - 4:00 pm

1. **PUBLIC COMMENTS.** Persons who wish to address the City Commission may do so when called upon by the Mayor. Comments on personnel matters and matters pending before court are not permitted. Speakers are limited to three minutes. Any presentation is for informational purposes only. No action will be taken.

2. **ITEMS PROPOSED FOR THE CONSENT AGENDA**
 - a. **Meeting Minutes: June 12, 2017 regular meeting**

3. **ITEMS TO BE PLACED ON THE REGULAR AGENDA**
 - a. **Consider creating a Community Improvement District (CID) for a new 24/7 Travel Store.**
 - b. **Discuss a joint Memorandum of Understanding (MOU) with Dickinson County.**
 - c. **Adjourn Study Session for a special meeting.**

4. **MEETINGS OF NOTE** (*Meetings at Abilene Public Library unless otherwise provided*)
 - Economic Development Council, June 21 at 4:00 pm
 - City Commission Meeting, June 26 at 4:00 pm
 - CVB Board, June 27 at 2:00 PM (CVB)
 - Library Board Meeting, July 3rd at 4:00 pm
 - City Commission Study Session, July 5th at 4:00 pm City office
 - Planning Commission, July 11 at 4:30 pm
 - Sister City, July 13 at 8:00 pm (CVB)

ABILENE CITY COMMISSION - SPECIAL MEETING AGENDA
DWIGHT D. EISENHOWER MEMORIAL BUILDING - 419 N. BROADWAY AVENUE
June 20, 2017 - 4:00 pm

1. Call to Order.
2. Roll Call: ___ Marshall ___ Shafer ___ Bowers ___ Weishaar ___ Dale

New Business

3. Consider a Motion to adjourn to Executive Session to discuss non-elected personnel for an amount of time not to exceed two hours.

4. Consider a Motion to return from Executive Session with no action being taken.

Adjournment

5. Consider a Motion to adjourn the June 20th, 2017 Special City Commission Meeting.

NOTE: This special meeting will follow the Study Session on June 20th, 2017



MEMORANDUM

TO: City Commission
FROM: James D. Holland, Community Development Director
SUBJ: Community Improvement Districts (CID) - 24/7 Travel Plaza Redevelopment
DATE: June 13, 2017

Background:

Last year the City Commission adopted Resolution 101116-1, which set forth the Community Improvement District economic development incentive policy. The CID policy allows commercial developments to voluntarily establish an additional sales tax of up to 2% for a maximum of 22 years. The sales taxes generated by the additional 2% are remitted to the City from the Kansas Department of Revenue and City forwards it to the developer minus an administrative fee. CID Sales Taxes are collected for the full term of the agreement or until the amount equals the eligible expenses, whichever is less. A number of actions and agreements are necessary to establish a CID, including:

Preliminary CID Petition – initial submittal by the developer providing the information required by the City Commission to evaluate the proposed project and accompanying CID district;

Formal CID Petition – detailed petition setting for the proposal included in the preliminary petition to include greater detail on the eligible expenses, financing, and sales tax generated by the CID;

Ordinance – establishes the CID and authorizes the Mayor to enter agreements and guides staff on the administration of the CID;

CID Development Agreement – establishes the right, responsibilities, assurances and processes for the completion of the project and administration of the CID fund;

CID Funding Agreement – sets forth the responsibility, process and deposits necessary to cover the initial legal and administrative cost of creating the CID district; and

Certificate of Completion – certifies that the project is substantially complete and ready to generate CID sales taxes.

Proposal:

The redevelopment of the 24/7 travel plaza has met all regulatory requirements of the City and is eligible for the issuance of a building permit. On May 24th, Mark Augustine, managing member of Property 6, LLC, submitted a preliminary CID petition for the 24/7 travel plaza redevelopment. A copy of the petition is attached. The petition has been reviewed by City staff and endorsed by the City Manager as having the necessary information for a preliminary review. Please review the application to familiarize yourself with the details of the proposal. In short the proposal is as follows:

- Estimated project cost of \$5,000,000
- Pay-As-You-Go reimbursement of eligible expenses;
- CID Sales tax of 2% for 22 years; and
- Estimated annual sales of \$3,275,000 in year 10 with a CID Sales tax generation of \$65,500.

Review Criteria:

The City's CID policy includes the following criteria to consider. The criteria include general economic impact statements and guidance on those CID proposals that receive a "preference" due to their financial performance.

General Impacts

- Attracts retail development to positively enhance the economic climate of and benefit the City;
- Results in the building or infrastructure beyond what the City would require or would otherwise build; and
- Promotes new development, rejuvenation, and/or redevelopment within the City.

Preferences

- The use of CID Funds is limited to capital costs (the City will not authorize the use of CID Funds for operating expenses except as allowed by state law and only if the petitioner can demonstrate that the use of such funds for operations meets a public interest to the satisfaction of the Governing Body);
- The use of pay-as-you-go financing in which CID Funds are used to reimburse Project Costs without the issuance of bonds;
- The proposed CID Sales Tax, if applicable, will not exceed 2%;
- The proposed CID is expected to perform such that it will not require the full duration as allowed by state law; and
- The proposed Development includes public improvements to be paid with CID Funds or funds of the Applicant or other private parties bonds.

Action:

If it is the desire of the City Commission, you may instruct city staff to develop the necessary agreements and resolutions along with setting a public hearing date. The specific calendar of events is being developed by the City's bond counsel, Mary Carson.

PETITION

REQUESTING THE CREATION OF A COMMUNITY IMPROVEMENT DISTRICT

To: Mayor Dee Marshall

The undersigned, being the owners of record, whether resident or not, of 100% of the land area (and 100% of the assessed value) contained within the hereinafter described proposed community improvement district to be located within Dickinson County, Kansas (the "County"), do hereby request that the City Council create such community improvement district (the "District") and authorize the community improvement district project hereinafter set forth, all in the manner provided by K.S.A. 12-6a26 *et seq.*, as amended (the "Act"). In furtherance of such request, the petitioners state as follows:

General Nature of Proposed Community Improvement District Project:

The general nature of the proposed community improvement district project (the "Project") to be constructed within the proposed district are set forth on Exhibit "A" attached hereto and incorporated by reference herein:

Estimated Costs:

The estimated cost of the proposed Project including acquisition, demolition and construction are \$5,000,000.

Method of Financing:

The cost of the proposed Project proposed to be financed by "Pay-as-you-go financing", as defined in Section 3 of the Act, and paid from the fund of the County identified in Section 10 of the Act. It is estimated that the County will pay \$1,200,000 to the petitioner/property owner, or its successor(s), which amount shall not be limited in amount by the Resolution authorizing the Project.

Special Assessments

There are proposed to be no special assessments on property within the boundaries of the District.

Sales Tax

A community improvement district sales tax (the "Sales Tax") in the amount of 2% is proposed in the District for the purpose of financing the costs of the Project. It is proposed that the Sales Tax will commence on April 1, 2018, and expire 22 years from the date its collection begins.

Estimated 10 year Sales:


- | | |
|----------------|-----------------|
| 1. \$2,500,000 | 6. \$2,900,000 |
| 2. \$2,600,000 | 7. \$2,985,000 |
| 3. \$2,675,000 | 8. \$3,075,000 |
| 4. \$2,750,000 | 9. \$3,165,000 |
| 5. \$2,825,000 | 10. \$3,275,000 |

Map and Legal Description of Proposed Community Improvement District

A map generally outlining the boundaries of the proposed District is attached as Exhibit "B" hereto, and incorporated by reference herein.

The legal description of the property to be contained in the proposed district is set forth on Exhibit "C" attached hereto and incorporated by reference herein.

Names may not be withdrawn from this Petition by the signers hereof after the governing body commences consideration of this Petition, or, later than, seven (7) days after the filing hereof, whichever occurs first.

Name	Date	<i>Property owned with Proposed Community Improvement District</i>
 Signed by Mark Augustine Managing Member of Property 6, LLC	5/24/2017	All property listed on <u>Exhibit C</u> attached hereto

THIS PETITION was filed in my office on 5-31-17, 2017; and was examined, considered and found sufficient by the City Council of the City of Abilene, Kansas on 5-31, 2017.


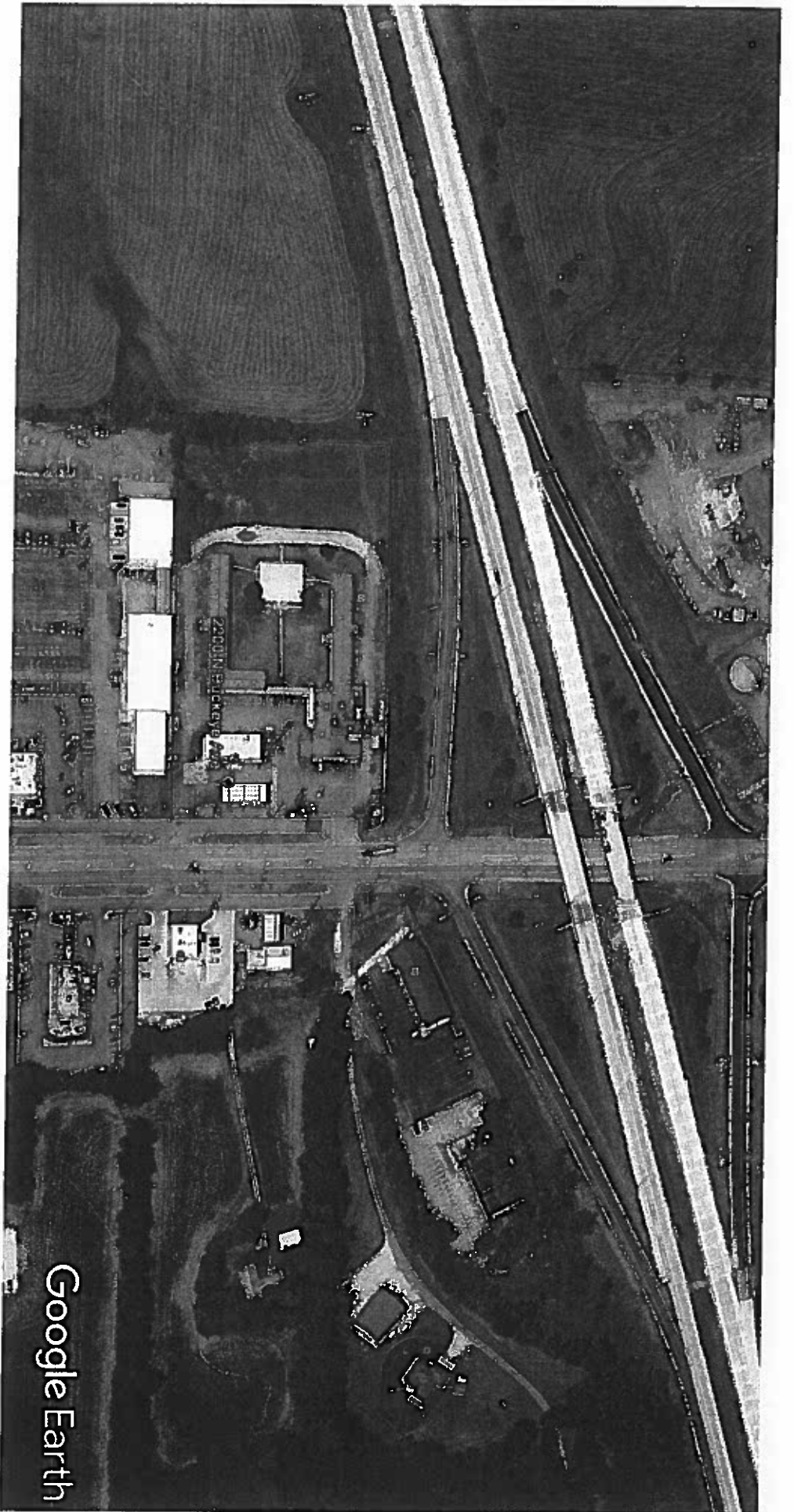


EXHIBIT A

GENERAL DESCRIPTION OF PROJECT

RAZE AND REBUILD OF EXISTING 3300 SQUARE FEET CONVENIENCE STORE INCLUDING FUEL ISLANDS AND TANK FIELD TO INCLUDE:

- New 7,700 square feet 24-7 travel store incorporating:
 - 2,100 square feet dedicated to a Nationally recognized food concept
 - 5,6000 square feet Travel Store with the following amenities:
 - Large Men's and Women's restroom accommodating eleven travelers with automatic flush valves, touch-less faucets and door-less entry.
 - Safe Room serving as an alternate restroom to allow cleaning of main restrooms
 - Modern Coffee and Fountain service
 - Two private showers
 - Overflow seating area for truckers/travelers to enjoy television or accessing the internet
 - Free Wi-Fi and Computer(s) for Internet Access
 - Laundry facility
 - Great Plains Gift Co – featuring gifts, souvenirs for travelers
- New Double Wall Tank Field
- Minimum of 12 new gasoline fueling positions
- Evaluating electric car charging station(s)
- 3 new diesel fueling positions
- Diesel Exhaust Fluid available at the diesel islands
- New tank field
- RV Waste and Water Service
- Approximately 21 paved truck parking positions
- 14 RV/Camper overnight stay venue with electric/water/sewer hook up
- New Hi Rise Sign



Google Earth

feet
meters

1000

400

Google Earth



EXHIBIT "C"
LEGAL DESCRIPTION

DESCRIPTION:

THAT PART OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 13 SOUTH, RANGE 2 EAST OF THE 6TH PRINCIPAL MERIDIAN, CITY OF ABILENE, COUNTY OF DICKINSON, STATE OF KANSAS, BEING ALL OF A TRACT OF LAND DESCRIBED IN BOOK D247, PAGE 135 AND A TRACT OF LAND DESCRIBED IN BOOK D257, PAGE 52-54, BEING DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 9; THENCE N 00°35'33" W 374.21 FEET; THENCE S 89°24'27" W 79.75 FEET TO THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK D248, PAGE 948-949; THENCE ON THE NORTH LINE OF SAID TRACT OF LAND, S 89°45'49" W 150.03 FEET; THENCE CONTINUING ON SAID NORTH LINE, N 00°35'25" W 2.86 FEET; THENCE CONTINUING ON SAID NORTH LINE, S 89°42'52" W 511.40 FEET TO THE NORTHWEST CORNER OF SAID TRACT OF LAND, ALSO BEING THE EAST LINE OF A TRACT OF LAND DESCRIBED IN BOOK 235, PAGE 897; THENCE ON SAID EAST LINE AND ITS PROLONGATION, N 00°32'53" W 344.14 FEET; THENCE N 84°11'21" E 303.96 FEET; THENCE S 89°57'48" E 358.47 FEET TO THE WEST RIGHT-OF-WAY LINE OF BUCKEYE AVENUE; THENCE ON SAID WEST RIGHT-OF-WAY LINE, S 00°29'04" E 194.72 FEET TO THE NORTHEAST CORNER OF A TRACT OF LAND DESCRIBED IN BOOK D247, PAGE 135; THENCE ON THE WEST RIGHT-OF-WAY LINE OF SAID TRACT OF LAND, S 00°42'50" E 179.66 FEET TO THE POINT OF BEGINNING.

CONTAINS 242,505.97 SQUARE FEET, 5.57 ACRES, MORE OR

LESS. END OF DESCRIPTION

BASIS OF BEARINGS FOR THIS DESCRIPTION IS AN ASSUMED BEARING OF S 00°35'33" E ON THE EAST LINE OF THE NORTHWEST QUARTER OF SECTION 9.

24/7 Travel Plaza

Year	Taxable Sales	CID Tax
1	\$2,500,000	\$50,000
2	\$2,600,000	\$52,000
3	\$2,675,000	\$53,500
4	\$2,750,000	\$55,000
5	\$2,825,000	\$56,500
6	\$2,900,000	\$58,000
7	\$2,985,000	\$59,700
8	\$3,075,000	\$61,500
9	\$3,165,000	\$63,300
10	\$3,275,000	\$65,500
Total	\$28,750,000	\$575,000

MEMORANDUM OF UNDERSTANDING

Whereas, Dickinson County and the City of Abilene have come together to collaborate in certain areas for the benefit of both governing bodies, and

Whereas, Dickinson County had identified a number of issues that exist within the current courthouse and county jail facility that pose an ongoing risk to the citizens of Dickinson County, and

Whereas, courthouse issues include but are not limited to an overcrowded and a deficient functioning jail facility, court facilities that lack adequate security functionality, office spaces for the sheriff's department and district court that lack adequate space for operations, and deficient and aged HVAC, electrical, and plumbing issues throughout the whole courthouse structure, and

Whereas, the City of Abilene has identified a number of issues that exist within the current city building and police department that include but are not limited to an aged deteriorated building, lack of office and operational spaces, and operational functionality and security issues with the municipal court, and

Whereas, Dickinson County and the City of Abilene recognize the significant cost to the taxpayers to address these issues and acknowledge the costs would be much greater if each entity proceeded separately, and

Whereas, both the county and the city have a common interest in providing public safety and law enforcement services though the operation of the Abilene Police Department and the Dickinson County Sheriff's Department, and

Whereas, both entities operate court systems whereby individuals are charged and/or incarcerated for various crimes that must be adjudicated preferably in a safe and secure environment both for the defendants, inmates, as well as the law enforcement agencies and members of the general public, and

Whereas, the sharing of resources required for public safety and judicial functions will ultimately save taxpayers hundreds of thousands of dollars and increase the security for those involved in providing that service and the public as well.

Now, Therefore, it is hereby agreed by and between the parties as follows:

- Dickinson County and the City of Abilene hereby commit to working collaboratively to provide the most efficient and effective cost savings for their respective taxpayers.
- Dickinson County plans to construct a new justice center to include a new jail, district court offices, courtrooms, and plans to renovate and upgrade the existing courthouse to include HVAC, plumbing, electrical, and windows.

- Dickinson County will provide adequate space in the existing courthouse building for the Abilene Police Department to locate administrative offices and will provide adequate space within the new justice center for use by the Abilene Police Department for purposes such as evidence processing, storage and weapons management.
- Dickinson County will include the renovation of the Abilene Police Department within the Justice Project for purposes of design, bidding, and bonding of the project.
- Dickinson County will provide at no additional cost, security measures to include managing the access control and building security for the Abilene Police Department while their offices are located within the Dickinson County Courthouse.
- The City of Abilene agrees to pay costs associated with the renovation and upgrade to the space provided to the City, as previously designed.
- Dickinson County agrees to include the costs of the Abilene Police Departments renovation within the total project bond and to allow the City of Abilene to lease the renovation for a period of time that satisfies the amount of their investment to include any bonding and interest costs borne by their portion of the project.
- The City of Abilene agrees to pay an appropriate share of utilities, maintenance, and custodial services as required and mutually agreed upon by both entities.
- Dickinson County agrees to designate one courtroom for use by the Abilene Municipal Court at a rate to be determined by the entities.
- Both entities agree and understand that the above agreements can only be met assuming that adequate funding for their respective agency is approved and available.

This memorandum of understanding shall be in effect upon execution and will continue in effect until such time as either party makes written notification to the other of termination of the agreement.

We the undersigned, as representatives of the respective government entity, have read, agree, and approve this MOU.

_____ Date: _____
 Dee Marshall
 Mayor, City of Abilene

_____ Date: _____
 Lynn Peterson
 Chairman
 Dickinson County Commission